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ABSTRACT

"Cableshop" is an experimental cable television service offering three- to seven-minute broadcast segments of product or community information and using a combination of telephone, computer, and video technology. Viewers participating in the service will have a choice of items ready for viewing listed on a "menu" channel and may add a particular item to the list by dialing a local telephone number followed by a special number that will connect them to a computer. The item then will be listed along with the time and channel on which it will be shown. Segments might include information on what to look for when buying a car or house, specials at local stores, or product demonstrations. Cableshop will be test marketed to approximately 8,000 subscribers, serving as a representative sample of the national population, in Peabody, Massachusetts, which has an operational system with 52-channel capacity. Cableshop president Trevor Lambert believes viewers will accept the idea of Cableshop because they are interested in straightforward, noncompetitive information about a product, and they like the idea of being able to decide when they will see the segment. The commercials shown by the Cableshop may require the advertising industry to extricate itself from the idea of the 30-second hardsell commercial. (HTH)

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THE CABLESHOP

by Daniel M. Rohrer, Associate Professor, Boston College

Introduction

A prominent question often asked but never answered is whether advertising containing information instead of just hyperbole can be effective and profitable. To try to find the answer, Adams-Russell Co., Inc., a Waltham, Massachusetts based corporation, and J. Walter Thompson U.S.A have formed a joint venture called "The Cableshop." The experiment to be launched this Fall will take place on Adams-Russell's 52-channel cable system in Peabody, Massachusetts. The town has one of a handful of operational systems in the country with 52-channel capacity. The Cableshop will be made available to approximately 8,000 subscribers serving as a representative cross section of a sample population which might be found anywhere in the country.

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What Is The Cableshop?

The Cableshop format will program three to seven minute segments featuring either an advertising message or community information. The issue to be determined is whether Cableshop President, Trevor Lambert, and Adams-Russell have found what Madison Avenue advertisers have been searching for--the means of giving the consumer direct access to information concerning a product without the consumer having to use a computer. Anyone capable of dialing a telephone can see the product of their choice on The Cableshop. Hired by Adams-Russell in September 1980 as Vice President for Corporate Development, Trevor Lambert created the technology to make it possible.

The Cableshop will utilize a combination of telephone, computer and video technology to program information requested by the community. Viewers wishing to participate in the services will have a choice of items ready for viewing listed on a "menu" channel. They may add a particular item to the list by dialing a local telephone number followed by a special number which will code them into a computer. The item will then be listed along with the time and channel on

which it will be shown. Anyone watching that channel at the specified time (usually within minutes of the caller's request) will see the requested information. The segments might include information on what to look for in purchasing a new car, sponsored by an automobile maker; new recipes from a food manufacturer, specials at the local supermarket, a report showing editors of a magazine discussing the lead story for that week and the reporting what went into it, the history of Peabody, or selected portions of Peabody's adult education program, etc.

The Cableshop is a service for advertisers to offer product demonstrations to cable viewers. Products that are best demonstrated or require customer education are ideal for this medium. Examples of this kind of product are as follows: automobiles, appliances, packaged travel offerings, boats, camping equipment, garden tools, lighting fixtures, sewing machines, sporting goods, swimming pools, home repair products, automobile repair services, insurance plans, etc.

The system could also be used for self-education where the cable viewer selects the desired program and time of day. The system could be used in conjunction with the town library

to allow citizens to obtain information on catalog without visiting the library. Medical and emergency information could also be distributed throughout the town with such a system. The programs may be of any form transmitted over television systems including full color, moving pictures and/or test information and/or sound.

Viewer Acceptance of Cable Advertising

Mr. Lambert suggested in an interview on July 29, 1981, that there are two reasons why he believes that viewers will accept the idea of commercials on cable TV. The first is that while viewers may question the idea of seeing the traditional commercial on cable TV, the opportunity of receiving five minutes of informtiaon about a product or subject is both a different matter and something the consumer desires. The second reason Lambert believes viewers will accept at least The Cableshop concept on television is the element of choice. The viewer requests the opportunity of seeing the commercial rather than having it superimposed on their entertainment.

Cable TV provides an advertising alternative which in turn creates greater opportunity for (1) narrowcasting to the target audience, (2) advertising less restricted in terms

of form, length and content, (3) expanded utilization of direct response marketing. Lambert sees a changing format in the television medium. The Wall Street Journal pointed out on July 14, 1981, that people are rebelling against the nature and lack of content in advertising on television.

It is clear that consumers do want information about products, services, and shopping opportunities on a selective basis. Advertising is acceptable to consumers as a way of providing that information. There is an increasingly prevalent consumer demand for product and shopping information as a result of more money and less time with two-income households, rising gasoline costs, and fewer and fewer knowledgeable sales people. Whatever product and shopping information is now available through conventional TV commercials will be even less accessible to consumers because of the transition to home video.

Uniqueness of The Cableshop

Trevor Lambert commented that the main difference between The Cableshop concept and other types of cable advertising currently being tested is that people at home can telephone in and request the specific product they would like to see and receive information concerning its utility for them.

Although Adams-Russell owns The Cableshop, J. Walter Thompson is cosponsor of the Peabody experiment to determine whether the concept will be an effective advertising innovation.

Future of The Cableshop

The time is right for The Cableshop because future CATV is going to multi-channel capacity. With one of the few currently operational 52-channel systems in the country, Adams-Russell has the capacity to provide three or more channels to serve such a function right now. The objective behind J. Walter Thompson's involvement in this new frontier, according to Lambert, is to utilize its experience and record of TV commercial success in a joint venture as one of the largest if not the largest advertising firms in the world.

The information oriented, direct response, target audience principle became the overriding purpose of The Cableshop because every informed objective source predicts an organic and evolutionary change from the present dominance of broadcast network TV to--at the minimum--a mixture of

broad interest and narrow interest programming. It has been observed by many sources that TV network shares of audience are declining, particularly in the younger, more affluent households, and all evidence indicates they will continue to decline. Lower-rated network programs have become increasingly vulnerable to competition from other forms of video. Furthermore, network costs are constantly increasing.

What the Cableshop Test Market Offers to Participating Advertisers

The potential impact of cable TV, Videotex, and home computers on corporate marketing and advertising plans for the 80's is probably very much on the mind of many a company marketing division. The Cableshop is an original concept in interactive cable, offering the viewer a new means of requesting informative advertising messages. It will be tested in one of the most comprehensive examinations yet developed for this media during its first nine months in existence. Twenty charter national advertisers, all non-competitive, will be accepted. Boston-area retailers will also be selected. Each will design and show their new, longer length commercials in a real time environment. Confidentiality of their results will be guaranteed.

The potential audience for direct marketing via CATV is vast and continues to increase. Nearly 25 per cent of U.S. homes receive cable, and more are being wired each day. Such a forum offers every advertiser the following:

1. In-market evaluation of informational advertising for their products.
2. No access to information by direct competitors.
3. Market place experience with various creative approaches and formats.
4. Opportunity tie-in with local retailers and capitalize on cable as a community medium.
5. Opportunity to lock in low Cableshop charter rates.
6. Meaningful research built in from the start to track consumer attitudes toward TV programming and advertising during the transition from television to home video.

What Participants Will Receive?

The national charter members and local retailers will receive up to three different messages a month for nine months. Each message will range from three to seven minutes and include the following:

1. Continuous cycling of messages.
2. Listing in Cableshop guide.
3. Featured mentions in Cableshop advertising.
4. Weekly call-in update.

5. Monthly record of call-ins.
6. Videotape of all messages shown on system.
7. On-site tour of the system.
8. Two evaluation seminars.
9. Full test-market research report.

Cableshop Research Program

The Cableshop has engaged an extensive study of qualitative exploration, subscriber motivation, continuing household profile of call-ins, monthly awareness and usage tracking, three-wave attitude and behavior research with a reasonable number of tailored questions from advertisers, and research to determine how much each given advertiser can afford to pay for services rendered and received.

The research program will also attempt to determine whether people will use television as an interactive medium, whether informational advertising works for a client's products, whether informational advertising works for other products, and whether consumer attitudes concerning TV programming and advertising change when going from four channels to 52 channels.

Conclusion

Called "'narrowcasting' of community information" by Jack Lynch, Adams-Russell's President, and termed "target advertising to specialized groups" by Burt Manning, Chairman of JWT U.S.A., educational commercials produced and/or shown by The Cableshop may require the advertising industry to extricate itself from the idea that one must do a hard-sell commercial in 30 seconds. The alternative about to be tested provides direction rather than diversion, substance instead of obfuscation, content replacing plastic sensation, and it packages commercials with information substituting for glitter and tinsel trappings.

The soft sell commercial must rely heavily on census data, rendering demographic and geographic considerations more important than they have been in the traditional advertising business. It is known that more money is often spent making the traditional commercial than is spent producing the program in which it appears. Furthermore, it is possible that some or many of the distinctions between advertising and entertainment may begin to evaporate on cable television, improving the quality of the information made available in the process.

Novel experiment: The Cableshop

Dan Rohrer, an associate professor in the Department of Speech Communication and Theatre at Boston College, reports on a novel experiment that will combine advertising with state-of-the-art video technology.

The experiment is a joint venture of Adams-Russell Co., Inc. in Waltham, a firm involved in cable TV, and J. Walter Thompson U.S.A., the advertising agency.

Called "The Cableshop", the joint venture will endeavor to determine whether advertising containing solid information, rather than hyperbole, can be effective and profitable.

Here's how it works: Some 8,000 subscribers of Adams-Russell's 52-channel cable system in Peabody, MA, are involved. Viewers receive printed information regarding when, and on which channel, they may view three- to seven-minute advertising segments on various products. Viewers may also add a particlar item to the list by dialing a local telephone number and using a product access number to tie into a computer. Usually within minutes of the caller's request the specified item will be shown and described.

The Cableshop people are working on the premise that products that are best demonstrated or that require customer education are ideal for this medium. Such products include: cars, appliances, travel packages, sporting goods, auto repair services, and insurance plans. Information might include what to look for when purchasing a new car (from an auto manufacturer), new recipes (sponsored by a food retailer), specials at the local supermarket, a report from magazine editors on lead stories for the issue (and what went into them), or a local town's adult education offerings.

The sponsors of the experiment feel it will have positive results because of the element of choice: the viewer can request the opportunity to see a commercial on something he or she is interested in, rather than having unwanted advertising thrust upon him or her. Furthermore, the sponsors feel, with more money and less time in two-income households, with the high cost of gasoline, and with seemingly fewer knowledgeable sales people, today there is a great consumer demand for solid product and shopping information.

Participating with ad segments they have designed themselves are charter national advertisers as well as Boston-area retailers.

In addition to determining whether informational advertising works, the research also will study whether people will use television as an interactive medium.

Two textbooks written by Dan Rohrer, an associate professor at Boston College and also an attorney, recently have been published. *Freedom of Speech and Human Rights, An International Perspective* surveys the systems of freedom as they relate to human rights and internal security laws in the U.S., Egypt, Italy, Turkey, Iran, and the Soviet Union. *Mass Media, Freedom of Speech, and Advertising: A Study in Communication Law* uses a case-study approach to the study of political and commercial speech.

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